

STATEMENT OF CONSIDERATIONS

REQUEST BY OPTICAL COATING LABORATORY, INC.
FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS
UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC36-94GO10029
W(A)-95-018; CH-0863

The Petitioner, Optical Coating Laboratory, Inc. has requested a waiver of domestic and foreign patent rights for all subject inventions arising from its participation under the above referenced cooperative agreement entitled "Electrochromics Windows Program."

The objective of the cooperative agreement is to develop and demonstrate a thin-film electrochromic switching technology suitable for commercialization in the fenestration industry. The agreement comprises three phases including, respectively, development, demonstration, and market deployment. In Phase I, a viable electrochromic window system with a transmittance range of 4:1 in the visible range will be developed, fabricated and delivered for testing. In Phase II, the electrochromic window system will be further developed to achieve a transmittance range of 5:1 and field tested for performance verification. If Phase II results in viable product, Phase III will be utilized to accelerate full scale production and introduction of the product into the market.


The total anticipated cost of the cooperative agreement, over the course of its three phases, is \$26.4 million. The approved budget for Phase I is \$1.6 million, with the Petitioner's share being \$591,332, for approximately 37% cost sharing. As proposed in the agreement, the minimum required cost sharing for Phases II and III will be 50%. The continuation of the waiver is contingent upon the Petitioner maintaining the above cost sharing percentages during the course of the agreement.

As noted in its waiver petition, Petitioner is the world's largest thin film manufacturer and, for nearly fifty years, has been a leader in the development and application of innovative thin film coating technology including electrochromics. Petitioner's established non-governmental commercial position in the above technology is substantial, with various electrochromic applications currently under development. Petitioner, which began independently developing electrochromic technology approximately five years ago, has, to date, invested over \$6.5 million in the technology. A team comprised of nine PhD's and six technicians are currently working to develop new products incorporating this technology. Considering Petitioner's technical expertise, established market position, and significant investment in this technology, including sizable cost sharing in this cooperative agreement, it is reasonable to conclude that Petitioner will continue to develop and ultimately commercialize the technology and products which may arise from this cooperative agreement.


Petitioner has agreed that this waiver shall be subject to the march-in and preference for U.S. industry provisions, as well as the U.S. Government license, comparable to those set out in 35 U.S.C. 202-204. Further, Petitioner has agreed to the U.S. competitiveness provisions as attached to this Statement. In brief, Petitioner has agreed that products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless Petitioner can show to the satisfaction of the DOE that it is not commercially feasible to do so, and that Petitioner will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. There are currently numerous designs, as well as competitors, in the field of electrochromic technology. The success of this cooperative agreement can be expected to stimulate investment, not only in this technology, but also in other competing technologies as well.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the cooperative agreement in a fashion which will make the above technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 41 CFR 9-9.109-6, all of which have been considered, it is recommended that the requested waiver be granted.


Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law
Division


Date: 6/7/95


Daniel D. Park
Patent Attorney
Intellectual Property Law
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Date: 6/7/95


Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of the cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.

CONCURRENCE:


Richard H. Karney
Deputy Assistant Secretary for
Building Technologies

Date: 10/18/96

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel for
Technology Transfer and
Intellectual Property

Date: 10-22-96

(c) (3) (ix) U.S. Competitiveness

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event that DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.

WAIVER ACTION - ABSTRACT
W(A)-95-018 - CH-0863

<u>REQUESTOR</u>	<u>CONTRACT SCOPE OF WORK</u>	<u>RATIONALE FOR DECISION</u>	<u>DISPOSITION</u>
Optical Coating Laboratory, Inc.	Development of an electrochromic window system	37-50% cost sharing	